

# New EU Energy Efficiency rules will impact municipal buildings

Given the growing focus on climate change and sustainability, the European Commission's Energy Efficiency Directive (EED), part of the European Green Deal, has been adopted to enhance energy efficiency across member states. But what does this decision mean for municipalities and their building stock?

## Rented building is also included

A key aspect of the directive requires member states to ensure an annual renovation of 3% of the total floor area of heated and/or cooled buildings owned by public authorities. This initiative, which previously only applied to central government buildings, has now been expanded to include buildings at all levels of government, including regional and municipal institutions.

The directive also highlights that if a public institution rents a building that is privately owned, that building must also meet the new energy requirements, particularly when lease contracts are renewed, or the building undergoes significant renovations.

With the potential for substantial EU funding for building renovations, municipalities will have a clear opportunity to finance their renovation projects and ensure their buildings are sustainable and energy efficient.

## Focus on energy efficiency

Another important element of the directive is the principle of "energy efficiency first." This means that energy efficiency solutions must be considered in all major decisions related to buildings, from planning to investment.

## How should municipalities respond?

With the directive coming into effect just 20 days after its official publication on September 20, 2023, and with a deadline for incorporation into national law set for October 11, 2025, municipalities face a tight timeline. It is recommended that municipalities begin by reviewing their current building stock, identifying potential buildings for renovation, and ensuring that upcoming projects comply with the new regulations.

With a more sustainable and energy-efficient future in sight for Europe's buildings, this is a step in the right direction, but it also requires action from municipalities. Preparation and proactivity will be key to a smooth transition to the new requirements.

## We WILL keep you updated

NJORD Law Firm, with its leading expertise in international and EU regulation, continues to monitor and analyze these changes to advise and guide stakeholders through these complex challenges.



**STEFFEN HEBSGAARD MUFF**  
ATTORNEY AT LAW,  
PARTNER  
SHM@NJORDLAW.COM



**CHRISTIAN SCHWARZ-  
HANSEN**  
ATTORNEY AT LAW,  
PARTNER  
(+45) 77 40 11 47  
CSH@NJORDLAW.COM